

GOVERNOR'S TURTLE BAY ADVISORY WORKING GROUP

**May 14, 2008 - 10:00 A.M. - 11:00 A.M.
Governor's Conference Room
State Capitol, Fifth Floor
Honolulu, Hawaii 96813**

MINUTES

Attendance

Present: Chair Bill Paty; Vice-Chair Thielen; Senator Clayton Hee; Representative Michael Magaoay; Councilmember Donovan Dela Cruz; Mr. Eric Gill; Mr. Junior Primacio; Ms. Cathleen Mattoon; Mr. Mitch Costino; Mr. Ernest Martin; Mr. Cy Bridges; and Ms. Lea Hong

Excused: Dr. Steven Wheelwright; Mr. Steve Metter; Mr. Ted Liu; Mr. Blake McElheny; Ms. Denise Antolini; and Mr. Lenny Klompus

Also Present: Deputy Attorney General Mr. Randall Ishikawa (Representing Ms. Lisa Ginoza); Senior Policy Advisor Linda Smith; Chief of Staff Barry Fukunaga; and members of the public

Call to Order Meeting called to order at 10:06 a.m.

I. Opening Comments – Laura Thielen, Vice-Chair

Vice-Chair Thielen called the meeting to order.

a. Approval of Minutes from April 16th meeting

The minutes were approved as submitted.

II. Legislation Wrap-up – Senator Hee and Representative Magaoay

Representative Michael Magaoay reported that all three Turtle Bay bills, SB 2423, SB 3102, and SB 2198 passed both the House and the Senate. He suggested a bill signing ceremony to emphasize the commitment of the Governor, the Legislature, and the community to seeing this initiative through. Representative Magaoay indicated that Turtle Bay measures

encountered little opposition in the House but endured arduous analysis in the Senate. He thanked the working group for all their help and his colleague Senator Clayton Hee for his hard work in the Senate.

Senator Hee made a point to thank the working group for its aid in passing Turtle Bay legislation. In particular, he thanked Linda Smith for her role in navigating the Turtle Bay bill through the Senate. The Senator acknowledged the difficulty of getting the Turtle Bay measures through and indicated that the aid of the working group and of Linda Smith made the difference.

Vice-Chair Laura Thielen acknowledged and thanked Senator Hee, Representative Magaoay as well as all members of the working group for their commitment to seeing these key measures through the Legislature.

III. Subcommittee Reports

a. Community Communications – Mitch Costino

Mr. Mitch Costino thanked the Governor's Communication team for their excellent support of the communications subcommittee. He noted that Ms. Kaela Wasnich will now be assisting the subcommittee as Mr. Travis Loop is moving to the mainland.

Mr. Costino reported on the subcommittee's efforts to create more direct, bulletized updates that will serve as a complement to the working group minutes and the Governor's Turtle Bay website. He emphasized that the intent is to get information out quickly.

Mr. Costino shared an Associated Press article written by Mark Niesse entitled, "Hawaii Community Tries to Preserve Wild North Shore." He said the subcommittee's take on the article is that it resembles airplane magazine articles. Mr. Costino noted that it failed to address key issues, acknowledge the Governor's goals, or the thrust of the working group. Mr. Costino said the subcommittee hopes to produce a good opinion editorial on the Turtle Bay endeavor. He acknowledged the Governor's Message of Aloha in the May 7th North Shore News and noted that it provides a good general overall picture of the Turtle Bay undertaking.

Mr. Costino also reported on Neighborhood Boards. Within his community, Mr. Costino shared that the working group has been remiss in not acknowledging the Ocean Villas complex within the Turtle Bay property. Ocean Villas owners have concerns regarding the type of relationship that will exist with the new owner.

Mr. Costino also indicated that the subcommittee will be producing a new set of frequently asked questions and focusing on creating an 'Olelo television show.

Ms. Linda Smith suggested the new set of frequently asked questions work at dispelling Turtle Bay myths and misconceptions that are still being broadcast to the public. She also suggested outreach to neighbor island communities as well as neighbor island legislators.

Senator Hee shared that Kuleana landowners share similar concerns as the Ocean Villas owners. He offered to assist Mr. Costino in his attempts to address some of the concerns of the Ocean Villas owners.

Vice-Chair Thielen pointed out that many of the questions Mr. Costino has received are complicated and will require the attention of all subcommittees throughout this process. She noted that the communication subcommittee will play an important role in receiving and responding to these questions.

Ms. Lea Hong shared that an article was published in the Wall Street Journal about the "green-lining" to the real-estate market implosion. She noted she was disappointed with the article because it did not speak to some of the issues they had hoped to convey.

b. Long-Term Resort Viability – Eric Gill

Mr. Gill reported that he and his committee have not met since the last meeting. He indicated the previous reports express the ideas, suggestions, and concerns of their subcommittee. Mr. Gill emphasized the need for community support in any and all decisions regarding Turtle Bay, particularly regarding any further development.

c. Technical Concerns – Laura Thielen

Vice-Chair Thielen distributed an initial list of technical concerns and a list of questions from Mr. Costino. She noted that subsequent to the creation of this list, Mr. Costino forwarded several questions he was receiving from his community. Vice-Chair Thielen said the questions still need to be parceled out to the correct subcommittees.

Vice-Chair Thielen pointed out that the purpose of the technical concerns subcommittee is to sort through laws and determine what kind of acquisition may be brokered and how the property itself will be transferred. She said it is their function to anticipate issues that may need to be addressed in order to provide guidance to the acquisition subcommittee in order to accomplish our overall goal of removing the entitlements for the unimproved lands and keeping the unimproved lands as open space or working agricultural lands.

Vice-Chair Thielen said the subcommittee needs to meet and go over this list in detail, work with the other subcommittees to identify any other issues or concerns, and create a final list of issues. She reported that a deputy attorney general has been assigned to assist the technical concerns committee and DLNR will be able to provide some staff support.

In response to Vice-Chair Thielen's solicitation of other issues or ideas, Mr. Junior Primacio pointed out the need to address Kawela Bay. He expressed the need to find a way to preserve and control use of the bay. Vice-Chair Thielen thanked Mr. Primacio for his observation.

Ms. Cathleen Mattoon pointed out the need to address city issues, in particular city permits and what the deadlines are. The pertinent questions are: Why have the permits not expired? Can the owners continue to claim that they can exercise these permits? Ms. Mattoon said she would like to see the city and the attorney general representatives address these concerns. Vice-Chair Thielen suggested that Ms. Mattoon take the lead in working with the city and the attorney general to address some of those questions.

Mr. Ernest Martin said that both he and Councilmember Dela Cruz look forward to discussing city issues. He relayed there is one outstanding issue pending before the city and that is the September deadline for the existing permits compliance extension. Otherwise, the permits will expire.

Mr. Martin also expressed appreciation for Mr. Costino's observations and questions that he emailed to the group. The public access entitlements are provided in the unilateral agreement (UA) which is still binding. Mr. Martin explained to the group that it is difficult to affirm what the city and county can provide or do. It may be necessary to amend the unilateral agreement based on dialogue with the community and the type of acquisition to take place.

In response to Ms. Mattoon's question, Mr. Martin affirmed that there is a pending court case. Mr. Gill clarified that the question before the court is whether the city can issue permits in the absence of a supplemental environmental impact statement. In response to Mr. Gill's questions, Mr. Martin affirmed that the subdivision permit will lapse entirely if no progress is made by September. Mr. Martin shared that they have a lot of pending issues which must be addressed in order to grant the permit.

In response to Ms. Hong's question, Mr. Martin responded that he is unsure of how the Defend Oahu Coalition's petition filed before the Land Use Commission (LUC) will impact the unilateral agreement but he will check with the deputy corporation counsel. Vice-Chair Thielen suggested we add to the technical concerns list the impact of possible legal challenges but noted the timing will be at the discretion of the court. Vice-Chair Thielen re-emphasized that the focus of the Technical Concerns Subcommittee is to identify, address, and analyze issues such as the unilateral agreement.

There was a general discussion of the unilateral agreement, its original scope, and its current applicability given that the open property has been not been developed.

Ms. Smith mentioned that there are several members of the working group who were directly involved in the UA process. She suggested that these members identify the process used to develop the UA and share this information with the working group at a future meeting. Vice-Chair Thielen agreed and added this process will foster discussion about the UA as it relates to present day needs and concerns.

In response to Mr. Costino's question, Mr. Junior Primacio agreed to provide all members of the working group with a hardcopy of the UA as well as other material having to do with the process towards the UA.

Chair Paty asked Ms. Mattoon and Mr. Primacio to gather people to help present a clear picture of the UA process. He added that this is a tangled situation that will require patience and vigilance to get through it.

IV. Outreach - Linda Smith

a. Congressional Delegation

Ms. Linda Smith announced that the Governor has accepted an invitation by the North Shore Chamber of Commerce to speak at their installation dinner on Wednesday, June 4th from 7:00 p.m. until 9:30 p.m. at the Pikake Pavilion in Waimea Valley. She noted that all members are welcome to attend and passed the information to Mr. Costino for dissemination.

Ms. Smith extended her appreciation to Lea Hong and those members that met with the Congressional delegation to brief them on the progress of the working group's efforts, legislative efforts, and the delegation's importance and significance in this effort. She provided members with a hard copy of the Governor's letters to the congressional delegation. Ms. Smith said the letters acknowledged the federal funding cycle and thanked them for their interest in this initiative.

Ms. Hong added that the meeting was positive and that the Congressional delegation is committed to helping in whatever way they can. She said they asked to be kept apprised of the group's progress and recognized that they are limited by the federal budgetary cycle. Ms. Hong also informed the group that various grant deadlines are up coming and DLNR will need to submit applications. In response to Chair Paty's question, Ms. Hong clarified that the qualifications vary depending on the type of grant.

Ms. Smith shared a letter that Governor Lingle sent to Assistant Secretary Lyle Laverty. She also shared that Vice-Chair Thielen spent some time with Deputy Secretary of the Department of Interior Lynn Scarlett in Midway. Vice-Chair Thielen used that time to speak to Ms. Scarlett about Turtle Bay and later provided a complete package of informational material on Turtle Bay as well as a list of specific funds that we are hoping will apply to our effort.

b. Neighbor Islands

Ms. Smith shared her observation that most neighbor island legislators, leaders, and communities had not received a detailed understanding of the Turtle Bay initiative. She indicated that raising their level of understanding will be critical should there be a need to solicit more support on behalf of this initiative.

Senator Hee and Representative Magaoay agreed with Ms. Smith's observation and suggestion, and cited Governor Lingle's meeting with Senator Rosalyn Baker as an example.

Representative Magaoay echoed the sentiments of Senator Hee and also made the assertion that this Turtle Bay effort is a template for future endeavors.

c. International Community

Ms. Smith pointed out that the international community may serve as a critical body of support for this effort. She suggested the working group identify and make a list of international organizations that may be able to help in this undertaking. Ms. Smith cited the Japanese international surfing community and the critical outreach and educational support they provided for the Pupukea-Paumalu effort.

V. Schedule of Future Meetings – Bill Paty, Chair

The next meeting of the Working Group will be held on Wednesday, May 28th, at 10:00 a.m. in the Governor's Conference Room.

VI. Adjournment

The meeting adjourned at 11:10 a.m.